



Heat Saver Loan

Frequently Asked Questions

As of September 8, 2015

The Heat Saver Loan offers three key features of an effective financing program:

- Great interest rates and terms!
- Flexible!
- Easy and Fast!

The loan can also be combined with Efficiency Vermont [incentives](#).

Frequently Asked Questions:

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What Are Heat Saver Loans?

[Heat Saver Loans](#) are a new finance product available to help Vermonters improve the energy efficiency of their homes. The loans offer attractive financing for homeowners looking to overcome up-front expenses to upgrade energy equipment and save money. Current interest rates range from 0% to 4.99%, based on an applicant's household income and loan terms.

Highlights include:

- Simple one-page [application](#) ("Project Verification Form")
- Approval may be provided in as little as 2 business days
- Low interest rates



- Loan lengths are flexible, to match loan payments to energy savings
- Energy savings count in determination of ability to pay
- Can be combined with Efficiency Vermont [rebates](#) (including [rebates for heating systems](#))
- Solves the issue of how to pay for the work and allows contractors to focus the customer's attention on a project start date

What Are the Loan Details?

Income Qualifications	Loan Term Up to 5 Years	Loan Term from 5 to 15 Years
Over \$96,240	3.99%	4.99%
Between \$64,161 - \$96,240	1.99%	2.99%
Under \$64,160	0.0%	1.99%

*Median Family Income for Vermont based on the Burlington-South Burlington MSA

Heat Saver Loans can range up to a maximum of \$35,000 for eligible installations and can be obtained through either [Opportunities Credit Union](#) or the [VSECU](#).

There is no minimum FICO credit score required. All applications are reviewed under the lenders' standard underwriting procedures. No applications are denied solely on the basis of credit score.

Borrowers must be eligible for credit union membership, which is typically for homeowners who live or work in Vermont or have relatives who are members. Check with the credit unions for details.

The Heat Saver Loan offer is available through August 2016.

Who Can Offer Heat Saver Loans?

- [Efficiency Excellence Network](#) Contractors (heating systems - including heat pumps)
 - o Call Efficiency Vermont for more information and to enroll (888) 921-5990
- [Renewable Energy Resource Center](#) Preferred Installers (biomass and solar hot water)
- [Home Performance with ENERGY STAR Contractors](#) (home weatherization)

What Kinds of Properties Can Participate?

- Residential owner occupied 1 to 4 family units
 - o Individual homes or units of condos or co-ops
 - o Mobile homes on owned land or in state licensed mobile home park
 - o Primary residences and vacation homes (subject to some limitations)



- Property taxes are being paid by the owner and are not delinquent
- Cannot be an asset in any pending bankruptcy, legal or divorce proceeding
- Cannot be owned by a business entity
- Owner must be eligible for and become a credit union member
- If the building is 50 years or older or in a historic district and exterior equipment is visible from a public right-of-way or causes a ground disturbance, [State Historic Preservation requirements](#) must be complied with.

What Types of Measures Are Eligible?

The low interest Heat Saver Loans provide a finance option for Vermonters who want to weatherize their homes and/or install certain efficient heating and domestic hot water systems. The loans can be used for:

- High efficiency oil or propane furnaces and boilers (and in certain cases, natural gas furnaces/boilers; see below for details)
- Cold-climate heat pumps
- Central wood pellet systems
- Solar domestic hot water systems
- Weatherization improvements
- Health and safety measures, and repairs needed for the specific type of approved thermal system and energy efficiency measures, up to 50% of the total project cost are eligible for financing

Improvements must be permanently attached to the participating property and aim to reduce the net energy requirements of the participating property. Upgrades must be installed by a qualifying contractor (see above).

Repairs of existing heating systems, installation or removal of any oil or propane tanks, Do-It-Yourself activities and installation of humidifiers or filters are not eligible expenses.

What Measure Specifications Are Required for Mechanical Systems?

Heating system measure specifications align with requirements for [heating system rebates](#) offered by Efficiency Vermont and including the following:

- Oil
 - o $\geq 87\%$ AFUE
 - o Boiler, ENERGY STAR Certified, includes qualifying high performance circulator pump
 - o Furnace, ENERGY STAR Certified or ECM blower motor
- Propane

- o $\geq 95\%$ AFUE
 - o Boiler, ENERGY STAR Certified, includes qualifying high performance circulator pump
 - o Furnace, ENERGY STAR Certified or ECM blower motor
- Electric Cold Climate Heat Pump
 - o Air to air split systems; ductless or slim ducts; AHRI certified; variable-speed compressors
 - o COP @5°F ≥ 1.75 ; operation at -5°; $\leq 65,000$ Btu/h
 - o Single Head Units:
 - HSPF ≥ 10.3 , EER ≥ 12 , SEER ≥ 20
 - o Multi-Head Units :
 - HSPF ≥ 10.0 , EER ≥ 12.0 and SEER ≥ 17.0
 - o Qualifying cold climate heat pumps can be found [here](#).
- Central Wood Pellet
 - o EE $\geq 80\%$; MBh ≤ 300 ;
 - o 1 week fuel-storage; automated on/off and fuel feed
 - o EPA and Vermont particulate compliant (0.2 lbs/ MMBtu)
 - o Classified as an indoor system and installed inside.
 - o Qualifying models can be found here [here](#).

Solar hot water systems are also eligible that meet the following criteria:

- Solar Domestic Hot Water
 - o SRCC certified thermal collectors
 - o Installed by a Clean Energy Development Fund (CEDF)-approved installer and licensed plumber

Qualifying equipment meeting these specifications can be found through the Efficiency Vermont website [here](#).

What Is the Process for Home Weatherization?

- Audit performed by an Efficiency Excellence Network / Home Performance with ENERGY STAR® (HPwES) Contractor
 - o In Vermont Gas Systems (VGS) territory, when a customer is not eligible for the [VGS Retrofit Program](#), they may participate in the HPwES Program to access the Heat Saver Loan to finance home weatherization and/or gas equipment that meets the [VGS Eligible Equipment Standards](#).
- Air-leakage reduction must exceed 10%
- All recommended health and safety improvements must be completed



- Can be combined with Efficiency Vermont “Home Performance with ENERGY STAR” [incentives](#)

Homeowners served by Vermont Gas Systems (VGS) who are eligible to participate in the Home Performance with ENERGY STAR® program are eligible to apply for a Heat Saver Loan. They are also eligible to apply for an HSL for natural gas system upgrades, but only in conjunction with a weatherization job via HPwES. The furnace or boiler upgrades must meet the following criteria:

- Natural Gas
 - o Hot Air Furnace - 94% + AFUE
 - o Hot Water Boiler - 87% to 91.9% AFUE
 - o Hot Water Boiler - 92% + AFUE with outdoor temp. reset
 - o Steam Boiler - 82% + AFUE

[What happens if the property is older than 50 years, or is located in an historic district?](#)

For buildings that are 50 years or older or in an historic district and have exterior equipment or changes to the property that will be visible from a public right-of-way, or causes a ground disturbance, the borrower must demonstrate that the project meets the requirements of the State Historic Preservation Office (SHPO). Borrowers may download the Heat Saver Loan SHPO Compliance Form from the program website. Completed forms must be mailed or emailed to the Vermont Division of Historic Preservation (the Vermont SHPO; ACCD.projectreview@state.vt.us) along with any supporting materials. Upon review, the SHPO will reply to the borrower with a determination, who must then submit the Compliance Form with their HSL Application Form to their credit union of choice.

Information on historic properties may be found at:

http://accd.vermont.gov/strong_communities/preservation/online_research_center.

If you have questions, contact: Jamie Duggan at 802-477-2288 or james.duggan@state.vt.us.

[What Efficiency Vermont Incentives Can Be Combined with the Loans?](#)

The Heat Saver Loan can be combined with these Efficiency Vermont [incentives](#).

System Type	Discount/Rebate Amount
Boiler or Furnace	\$500
Cold Climate Heat Pump	\$300 - \$400
Wood Pellet Boiler or Furnace	\$1,000
Home Air Sealing and Insulation	Up to \$2,100 in incentives per household



What Are the Next Steps to Offer Heat Saver Loans to Customers?

1. Select a qualifying project
2. Complete system/contractor portion of the Project Verification Form [application](#) with the customer, sign and attach quote
 - Leave with customer to provide to lender
3. Customer chooses lender, completes lender application process and notifies contractor when approved.

Who Are the Sponsors of the Heat Saver Loan Program?

The Heat Saver Loans are the result of a partnership between the Vermont Public Service Department (including the Clean Energy Development Fund) and the Vermont Low Income Trust for Electricity (VLITE) along with the Efficiency Excellence Network and Efficiency Vermont under the Thermal Energy Finance Pilot Program announced in February 2014.

How Can I Get More Information?

For more information, contact:

[Opportunities Credit Union](#)

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[VSECU](#)

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